JULY 2023

INVESTOR ACTION PLANS (ICAPS)

EXPECTATIONS LADDER

INTRODUCTION
INVESTOR CLIMATE ACTION PLANS

The Investor Climate Action Plans (ICAPs) Expectations Ladder helps investors act on climate by providing a single, comprehensive framework for self-assessment and transition planning, which draws on existing initiatives and resources.

The Expectations Ladder is inclusive and designed for all investors, regardless of where they are on their climate change journey. That is why the Expectations Ladder sets out a summary of encouraged actions over four tiers, from those beginning to think about climate (Tier 4) to the net zero standard-setters (Tier 1).

The Expectations Ladder covers the Investor Agenda's four interlocking focus areas – investment, corporate engagement, policy advocacy and investor disclosure, alongside governance which is a cross-cutting theme. It is neutral with respect to the tool, approach or initiative that investors may choose to adopt and serves as a 'self-assessment checklist' for investors to identify where progress has been made and where advancement is needed.

It is recommended that investors refer to the accompanying ICAPs Guidance document for more detailed information on how to implement the encouraged actions set in the Expectations Ladder and how to move across the ICAPs tiers. The Guidance also contains information on the resources underpinning the Expectations Ladder, including publications from the seven Investor Agenda Founding Partners, and endorsed initiatives The Glasgow Finance Alliance for Net Zero (GFANZ), Net Zero Asset Managers Initiative (NZAM), the Paris Aligned Asset Owners (PAAO) and the UN-convened Net-Zero Asset Owner Alliance (NZAOA).

Expectations set out in the Ladder assist investors in:

1. **Assessing their current approach to managing climate change risk and opportunity.**
2. **Publishing a standalone ICAP (often referred to as a climate transition plan or a net zero transition plan).**
3. **Embedding elements of the ICAPs into their climate change strategies, investment beliefs, transition plans, and disclosures.**
4. **Communicating their current activities and plans to stakeholders.**

A glossary of key terms used in the Expectations Ladder can be found at the end of this document.

Legal Disclaimer

1 Focus Area Investment

Tier 4	Tier 3	Tier 2	Tier 1
Target Setting			
Measure portfolio greenhouse gas (GHG) emissions.	**Set portfolio emissions reduction and/or asset alignment targets aligned with domestic policy goals or NDCs and in consideration of portfolio climate risks and opportunities.**	**Set portfolio emissions reduction and/or asset alignment targets aligned with global net zero emissions by 2050 in support of the ambition to achieve a 1.5°C outcome.**	**Set interim portfolio emissions reduction targets and/or asset alignment targets for every five years and, at a minimum in the short term, by 2030 to achieve global net zero emissions by 2050 or sooner with no or limited overshoot within 12 months of making a net zero commitment.**
	Set Scope 1 and 2 decarbonization targets for operational emissions in line with achieving global net zero emissions by 2050 or sooner using an established target-setting framework such as the Net Zero Investment Framework (NZIF), the Net Zero Asset Owners Alliance's Target Setting Protocol (TSP) or the Science Based Targets Initiative for Financial Institutions.	Set net-zero aligned targets for climate solutions in each asset class. Set scope 3 decarbonization targets if the emissions are material (at an asset and/or sector level) and where data is available. Set portfolio targets aligned with the global goal of tackling deforestation and conversion by 2030 using established resources such as the Finance Sector Roadmap on eliminating deforestation, which is aligned with best practice guidance from the Accountability Framework for Financial Institutions (AAFI).	Review interim targets every five years (or sooner if there are material updates or developments in data, methodology, business model or if targets are met sooner than anticipated) using recognized methodologies and frameworks, such as NZIF, SBTi and TSP for setting, assessing, reporting, and verifying performance. Set decarbonization targets for all high-emitting sectors across all asset classes, at the portfolio and/or asset level, and establish client (e.g. asset owners, beneficiaries), portfolio and real-economy reduction metrics. Set targets for material non-carbon emissions (e.g., fossil methane and biogenic methane), with methane emissions from the energy sector reduced by 64% by 2030 from 2020 levels to be consistent with 1.5°C aligned pathways. Establish absolute and intensity (both economic and physical intensity) metrics to measure progress on net zero. From 2030, for unabated emissions which are not possible to neutralize through emissions reductions actions, set targets for carbon removals and storage. This can be done through, for example, high-quality carbon credits, which comply with or are more ambitious than the criteria for carbon removals and storage set by the NZAOA or NZIF.
Strategy			
Define overall objectives and priorities in the context of investment strategy. Establish a formal policy on integrating climate change and transition finance strategies into investment analysis, decision-making, investment manager and consultant selection and appointment, monitoring, and evaluation.	Pursue a dialogue with workers, impacted communities and other key stakeholders to integrate just transition factors into investment policies. Define a decarbonization strategy for all high-emitting sectors and portfolio asset classes.	Establish a formal investment policy on fossil fuels and other high-impact sectors and activities including deforestation, water and biodiversity loss, that: • aligns with a net zero target; • includes an explicit commitment to engage with companies and high-emitting assets over a timeframe that is in line with science-based net zero pathways; • aligns with just transition principles; and • clearly sets out a comply or explain approach to adhering to any policy on high-impact activities. Document how climate strategy will be embedded into the design of products and services. Develop and start to implement a decarbonization strategy for at least one portfolio or asset class.	Phase out, in collaboration with stakeholders including investee companies and affected communities, all unabated fossil fuels by ensuring: • portfolios align with goals to ensure unabated coal-based power generation is phased out by 2030 in OECD countries and by 2040 in non-OECD countries; • existing investments in unabated coal in the portfolio adopt phase out plans by 2030 or sooner; • an end to investment in new fossil fuel infrastructure assets, or exploration of new oil and gas fields/expansion of oil and gas reserves, whose purpose or ultimate emissions are not aligned with the IPCC's no or limited overshoot scenarios, the One Earth Climate Model (OECM), or the IEA's Net Zero Emissions by 2050 Scenario; • direct stakeholder engagement for all phaseout and/or abatement plans including affected communities, workers, and consumers to ensure access to energy; and • consideration of opportunities to invest in alternative, renewable energy sources. Support real economy transition to net zero emissions. This may be done, for example, by using 4 key financing strategies identified by GFANZ and set out in the 'Asset Allocation' section of the ICAPs Expectations Ladder.

1 Focus Area Investment

Tier 4	Tier 3	Tier 2	Tier 1
Risk Management			
Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks, including physical risks. Identify approaches to mitigate direct and indirect material risks.	Conduct a 1.5°C and 2°C scenario analysis including transition and physical risk, using a recognized methodology. Revise and update this analysis annually in line with TCFD recommendations. Assess whether and how existing products and services support and de-risk net zero transition, whether they could be modified to do so, and whether new climate-aligned products and services are required.	Incorporate scenario analysis, fundamental analysis and stress testing into the whole investment process and strategic asset allocation. Conduct in-depth annual assessments of risk and performance on deforestation and conversion across portfolio companies, products and projects.	Develop detailed sector and asset level scenario analysis, which may reference sectoral pathway work from NZAOA Target Setting Protocol (TSP), Net Zero Investment Framework (NZIF) or the Glasgow Financial Alliance for Net Zero (GFANZ) and use this analysis to inform the whole investment process and strategic asset allocation.
Asset Allocation			
Invest an increasing proportion of the portfolio in companies, products and projects that are committed to transitioning in line with 1.5°C.	Invest an increasing proportion of the portfolio in companies, products, and projects that are already aligned to 1.5°C.	Incorporate climate change into strategic asset allocation and invest in 1.5°C aligned companies, products, and projects in multiple asset classes by considering further criteria, including: • Net zero product design • Real economy impact • Transparency and integrity • Data availability • Scale • Acceleration • Methodology • Just transition outcomes Commit to increasing investments over time in climate solutions (e.g., clean energy and low-carbon opportunities) based on 1.5°C pathway.	Invest (and grow the proportion annually) in 1.5°C aligned companies, products, and projects in all asset classes, considering whether they can be geared towards, for example: • transition plan priorities such as net zero targets and strategy; • providing investment that supports companies/activities developing and scaling climate solutions; • reducing portfolio emissions; • increasing international financial flows to emerging markets and developing economies, including country-led initiatives to decarbonize and provide renewable energy access such as Just Energy Transition Partnerships (JETPs); and • financing of nature-based solutions across direct and indirect operations that support customary land rights and local livelihoods.

2 Focus Area Corporate Engagement

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<thead>
<tr><th>Tier 4</th><th>Tier 3</th><th>Tier 2</th><th>Tier 1</th></tr>
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<tr><td colspan="4">Engagement Intiatives</td></tr>
<tr>
<td rowspan="2">Join engagement initiatives that encourage more effective climate governance, management and disclosure of GHG emissions and physical climate risks, identification of climate opportunities, and promote engagement with companies and peers.</td>
<td rowspan="2">Actively participate in engagement initiatives that encourage high-emitting companies to establish 1.5°C aligned business strategies and robust climate transition plans which help ensure a just and timely transition from high-emitting assets and the rollout of transition infrastructure by companies committed to support the transition to net zero.</td>
<td colspan="2">Taking a leading role in engagement initiatives, for example the investor net zero alliances, that encourage companies to establish and publish 1.5°C aligned business strategies, climate action plans and net zero targets.

Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown insufficient commitment to aligning its business strategies with 1.5°C pathways) and to address deforestation impacts, risks and opportunities.</td>
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<td></td>
<td>Actively participate in and/or lead engagement initiatives that encourage companies to address commodity-driven deforestation in direct operations and across their value chains.</td>
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<tr><td colspan="4">Bilateral Engagement</td></tr>
<tr>
<td>Engage directly with companies, asset managers, consultants, industry forums and other entities to encourage more effective governance, management and disclosure of GHG emissions and physical climate risks.</td>
<td>Engage with companies to reduce GHG emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies).

Develop an engagement strategy with clear milestones and escalation strategy, which is shared with companies as a basis for engagement.</td>
<td>Ensure that most of the companies in the portfolio have 1.5°C aligned business strategies or have committed to establishing such strategies through setting science-based targets, climate action plans, and TCFD disclosures.

Set engagement targets that prioritize engaging with the highest emitting companies in the portfolio and voting strategies in line with decarbonization and escalation policies.

Engage with companies to reduce deforestation and conversion across their value chains and align their public policy activities with deforestation and conversion goals (directly or via industry associations and trade bodies).</td>
<td>Implement engagement and escalation strategies to ensure that all companies in the portfolio meet 1.5°C aligned sector-specific benchmarks, taxonomies, or thresholds.

Publish detailed voting policy and record on environmental, social, and governance factors (focusing on director votes, shareholder resolutions and other management proposals), publish criteria that need to be met for the investor to vote for a company's climate plan and/or resolution.

Annually screen and monitor all companies in the portfolio for deforestation and conversion performance to ensure that all relevant companies are not breaching deforestation-specific internal policies, regulations, or established requirements.</td>
</tr>
<tr><td colspan="4">Corporate Escalation and Shareholder Engagement</td></tr>
<tr>
<td>Explicitly integrate climate change, just transition and deforestation into investment policy statements, engagement strategies, and proxy voting guidelines.</td>
<td>Establish a clear escalation strategy for companies, asset managers, or other entities that have not responded appropriately to bilateral or collaborative engagement.</td>
<td>Support climate resolutions with regards to companies who have not responded appropriately to bilateral or collaborative engagement, and vote against motions on climate and deforestation grounds.

Pre-declare voting intentions on ESG-related resolutions with companies identified as laggards.</td>
<td>File or co-file climate resolutions at companies who have not responded appropriately to bilateral or collaborative engagement.

Support company management to adopt ESG-related resolutions into management proposals.</td>
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3 Focus Area Policy Advocacy

<table>
<tr><th>Tier 4</th><th>Tier 3</th><th>Tier 2</th><th>Tier 1</th></tr>
<tr><td colspan="4">Investor Statements</td></tr>
<tr><td rowspan="2">Sign collaborative investor statements and letters calling on governments and other public bodies to achieve the Paris Agreement's goals, accelerate private sector investment into the net zero transition in line with just transition principles, and improve climate- and nature-related financial reporting aligned to current and upcoming standards and taxonomies including TCFD, TNFD, and ISSB.</td><td colspan="3">Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050 or sooner: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing, and mandating climate and nature related disclosure.</td></tr>
<tr><td>Support and input to the development of consensus, net zero aligned views on public policy that represent the investor community's views cohesively to external stakeholders, supporting policy and regulation relevant for achieving global net zero emissions by 2050 or sooner.</td><td colspan="2">Publish original research and reports that set out the case for policy action on climate change and/or conduct media and public outreach calling for policy action on climate change. Provide analysis to highlight the essential role of public policy in achieving emissions reduction in specific sectors, communities, and across the economy.

Encourage adoption of public policies which mandate publication of net zero climate action plans, time bound by short-, medium-, and long-term targets that are third party assured and science-based, across the investment industry.</td></tr>
<tr><td colspan="4">Lobbying</td></tr>
<tr><td>Ensure that all lobbying activities carried out by the investor are aligned with all the goals of the Paris Agreement.</td><td colspan="2">Ensure that all lobbying activities carried out by the investor's trade associations support and do not undermine the goals of the Paris Agreement.

Publish trade association memberships.

Establish a clear escalation strategy for trade associations that have not responded appropriately to bilateral or collaborative engagement.</td><td>Review the lobbying activities of all relevant trade associations, portfolio companies and industry bodies to ensure that they support and do not undermine the goals of the Paris Agreement and eliminating and deforestation-associated human rights abuses.

Require the organization to stop the lobbying otherwise or follow successive steps in the escalation strategy for trade associations, which may ultimately lead to discontinuing membership/support for the organization.

Ensure that lobbying activities by corporations are publicly disclosed.</td></tr>
<tr><td colspan="4">Advocacy</td></tr>
<tr><td>Participation in regional or global investor network (who are themselves aligned with the goals of the Paris Agreement) and contributing to the organization's advocacy activities.</td><td>Call on governments and other policymakers and regulators to achieve the Paris Agreement's goals, accelerate private sector investment into the net zero carbon economy in line with just transition principles, and to institute mandatory climate- and nature-related financial reporting aligned with the most recent frameworks and international standards.</td><td>Call on governments and other policymakers and regulators to implement policy measures such as phasing out coal, phasing out fossil fuel subsidies, setting national net zero targets, implementing clean investment plans to help attract private investment to climate solutions, introducing carbon pricing, enforcement of laws to protect against illegal deforestation and introducing policies to reduce legal deforestation in line with the goal of achieving net zero by 2050.</td><td>Provide strong public support and play a leading/active role in discussion of sustainable finance policy and regulatory measures to ensure 1.5°C aligned capital flows.

Call for governments to implement policy measures to mobilize 1.5°C aligned capital flows to emerging markets and developing economies through initiatives such as the Just Energy Transition Partnerships (JETPs).

Call on governments to mandate time bound (short-, medium-, and long-term targets) and third party approved climate action plans to ensure a level playing field for ambitious net zero commitments, to de-risk the transition and to maximize the economic benefits of net zero alignment.</td></tr>
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4 Focus Area Investor Disclosure

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<tr><th>Tier 4</th><th>Tier 3</th><th>Tier 2</th><th>Tier 1</th></tr>
<tr><td colspan="4">Commitments, Objectives and Targets</td></tr>
<tr><td rowspan="2">Publish a formal statement recognizing that climate change presents new and material challenges (e.g. Physical Climate Risk) and requires an organization-wide commitment to integrating related risks and opportunities into investment practice.</td><td colspan="2">Publish organizational and portfolio objectives/targets on climate change and report on progress against these on an annual basis.</td><td rowspan="2">Publish a statement from, or endorsed by, a member of senior management and/or the Board such as the CEO or Chairperson which sets out the organization's net zero targets and metrics including the overarching principles such as just transition, business context, assumptions and methodology.

Publish a climate action plan that sets out goals, actions and accountability mechanisms to achieve the organizational net zero and interim targets.</td></tr>
<tr><td></td><td>Publish quantified interim and long-term timebound targets and metrics on climate change and report on progress against these on an annual basis.</td></tr>
<tr><td colspan="4">Emissions Reporting</td></tr>
<tr><td colspan="2">Publish a GHG emissions profile for at least one portfolio or asset class.</td><td>Publish a detailed account of the analytical methodology and underlying data for calculating the portfolio's emissions profile at least annually.</td><td>Publish reporting on available scope 1, 2 and 3 emissions in all jurisdictions at least annually. Any omissions should be explained.

Obtain third-party verification of emissions reporting.</td></tr>
<tr><td colspan="4">Portfolio Assessment</td></tr>
<tr><td colspan="2">Publish an assessment of the risks and opportunities presented by climate change to the investment portfolio.</td><td>Publish details of the scenario analysis conducted by the investor, including information on the underlying assumptions and scenarios used.

Publish results of annual screening and monitoring of portfolio on deforestation.</td><td>Publish details of action taken as a result of portfolio risk assessment, including considerations for strategic asset allocation and whole investment process.</td></tr>
<tr><td colspan="4">TCFD Alignment</td></tr>
<tr><td>Issue a public statement supporting TCFD.</td><td colspan="2">Publish partial information on TCFD recommendations in financial report.</td><td>Publish all information on TCFD recommendations in financial report.</td></tr>
<tr><td colspan="4">Progress and Assessment Reporting</td></tr>
<tr><td>Assess current disclosures against guidance from TCFD and other relevant reporting frameworks.</td><td>Publish an assessment of the outcomes and impacts achieved from corporate engagement.</td><td>Publish an assessment of the outcomes and impacts achieved from policy advocacy.

Publish data on carbon credits and report separately from portfolio emissions on:
• the number of credits used by type (e.g., removal, storage, natural or technological solution);
• the type of mitigation activity;
• accounting methodology to measure the carbon-positive contribution third-party verification of credits; and
• how and when credits are used, confirming that they are only to be used for neutralization of residual emissions.</td><td>Publish an independent third-party assessment of the investor's climate change reporting and carbon credits.

Publish progress reporting on climate action plan.

Publish information in alignment with draft disclosure from the Taskforce for Nature Related Financial Disclosures (TNFD) and in line with Version 1 of the TNFD disclosure framework when it is released in September 2023.</td></tr>
</table>

5 Focus Area Governance

Tier 4	Tier 3	Tier 2	Tier 1
Policy			
Develop investment beliefs or statements of investment policy that define the organization’s approach to managing climate risks and opportunities. Amend or develop additional policies to underpin the climate action plan (e.g., deforestation policy, engagement policy) and ensure that these are science-based and linked to transition scenarios and pathways. Policy scope, conditions, exclusions and timelines should be clearly set out. Ensure all policies are regularly reviewed and updated. Explain how climate risks and opportunities are integral to long-term value creation and to the fiduciary and other duties owed to beneficiaries or clients.	Ensure that the climate strategy, including investment beliefs, plans and policies, is fully endorsed by the Board.	Ensure that the climate strategy, including investment beliefs, plans and policies, apply to high-emitting sectors and activities.	
Accountability			
Define roles and responsibilities for overseeing and implementing the organization’s commitments on climate change and reporting on the organization's climate performance. Explain how climate strategy will be embedded within decision-making processes across top-down and bottom-up oversight structures.	Define formal climate change responsibilities in Board and/or Board Committee Terms of Reference and role descriptions.	Provide adequate resources and training to ensure the effective implementation of the organization's climate change policies and plans for all roles across the organization. Encourage and equip business units and investment teams to work together across the organization to work collaboratively to reach climate goals. Explain how transition activities will be financed and impacts on areas such as CAPEX, OPEX and revenue forecasts.	Align achievement of climate-related metrics with remuneration and incentives.

5 Focus Area Governance

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<tr><th>Tier 4</th><th>Tier 3</th><th>Tier 2</th><th>Tier 1</th></tr>
<tr><td colspan="4">Planning and Evaluation</td></tr>
<tr>
<td>Develop a climate action plan for delivering on the organization’s climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio, including a consideration of strategic asset allocation implications.

Clarify whether the scope in target setting relates separately to interim or long-term targets, the process for updating the climate action plan, and how it departs from business as usual.</td>
<td>Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve.

Update the climate action plan on a regular basis, demonstrating where progress is made and updating ambition where relevant.

Outline actions to address any data limitations.</td>
<td>Ensure that the climate action plan demonstrates how all parts of the business align with interim and long-term net zero targets, including a strategy to identify and progressively phase out stranded assets.

Describe how the climate action plan supports a just transition.

Ensure that the climate action plan includes an analysis of the organization’s capital expenditures and R&D.

Outline the specific policies and regulations needed to facilitate climate action plans.</td>
<td>Allow external stakeholders to assess the appropriateness of proposed actions with the plan. For members of net zero alliances, this includes at a minimum their alliance commitments.

Secure independent verification of the plan by an appropriately qualified third party, such as a professional services firm or a non-governmental organization.</td>
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<tr><td colspan="4">Skills Assessment</td></tr>
<tr>
<td>Assess the resource requirements and change management program required to embed climate strategy and climate action plan elements into culture and practice.

Build awareness at board level of any organizational climate strategy, portfolio risk assessments and climate action plans developed.</td>
<td>Provide regular training for Board and all staff on climate risks and opportunities and implications for investment portfolios.</td>
<td>Formally assess organizational knowledge and expertise on climate change for the Board, senior management, and investment teams.

Ensure all levels of the organization have access to external climate experts, environmental justice experts, and resources for deep technical knowledge.</td>
<td>Ensure that the Board has sufficient capabilities and competencies to oversee, assess and manage climate change-related risks and opportunities and climate action plans.

Ensure that all staff, including the Board and senior management, understand the just transition factors and/or receive training on just transition, to facilitate the development of internal processes and responsibility for ensuring a just transition in relation to the investor's assets.</td>
</tr>
<tr><td colspan="4">Board Reporting</td></tr>
<tr>
<td>Identify a role within the organization that is accountable to the Board for the execution of the climate action plans.</td>
<td>Ensure that the Board / Board Committees:
• regularly review portfolio-related climate risks and opportunities;
• assess progress against climate-related objectives; and
• regularly review progress against the climate action plans.</td>
<td colspan="2">Report regularly to the Board and senior management on:
• metrics on contribution to real economy transition;
• financed emissions;
• internal execution of the climate action plans;
• results from key engagement activities;
• change management performance indicators as net-zero strategy is embedded in business processes across the organization; and
• reports from independent assessment of climate action plans progress.</td>
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GLOSSARY OF TERMS

Conversion

Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function. Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function. Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

Climate solutions

Technologies, services, tools, or social and behavioral changes that directly contribute to the elimination, removal, or reduction of real-economy GHG emissions or that directly support the expansion of these solutions. These solutions include scaling up zero-carbon alternatives to high-emitting activities — a prerequisite to phasing out high-emitting assets — as well as nature-based solutions and carbon removal technologies.

Deforestation

This refers to the loss of natural forest as a result of: i) other non-forest land use (whether or not it is legal), ii) conversion to a tree plantation or iii) sustained degradation.' Severe degradation constitutes deforestation even if the land is not subsequently used for non-forest land use. Further details on deforestation for the finance sector can be found here.

Deforestation-associated human rights abuses

Deforestation-associated human rights as those which are related to deforestation and conversion of natural ecosystems for agricultural and forest-risk commodities. A wide range of human rights are linked to deforestation and conversion, but three specific human rights are included - the right to Free, Prior and Informed Consent, land rights of Indigenous peoples and local communities, and labor rights.

Economic intensity metric

Measurement of GHG impact per unit of economic value.

Investor climate action plan / transition plan

An investor climate action plan, often referred to as a climate transition plan or a net zero transition plan, is a set of a set of goals, actions, and accountability mechanisms that is set by individual organizations to align an organization's business activities with a pathway for GHG emissions consistent with reaching net zero by 2050 at the latest. The ambition for the pathway to be consistent with a maximum global temperature increase of 1.5°C above pre-industrial levels, with low or no overshoot.

Just Energy Transition Partnerships (JETPs)

The JETPs are a financing cooperation mechanism announced at COP26 which aims to help a selection of heavily coal-dependent emerging economies make a just energy transition. The goal is to support these countries' self-defined pathways as they move away from coal production and consumption while doing so in a way that addresses the social consequences involved, such as by ensuring training and alternative job creation for affected workers and new economic opportunities for affected communities.

Physical intensity metric

Measurement of GHG impact per unit of physical activity.

These definitions are all drawn from the ICAPs Guidance, the GFANZ Financial Institution Net-Zero Transition Plan Guidance or Global Canopy's Finance Sector Roadmap for all other terms, such as net zero, just transition or offsetting, please refer to the Race to Zero Lexicon.

The Investor Agenda is a common leadership agenda on the climate crisis that is unifying, comprehensive, and focused on accelerating investor action for a net-zero emissions economy. The founding partners of The Investor Agenda are seven major groups working with investors: Asia Investor Group on Climate Change, CDP, Ceres, Investor Group on Climate Change, Institutional Investors Group on Climate Change, Principles for Responsible Investment and UNEP Finance Initiative.

theinvestoragenda.org

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THE INVESTOR AGENDA
ACCELERATING ACTION FOR A NET-ZERO EMISSIONS ECONOMY